



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

May 9, 2011

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To: Mayor Michael D. Antonovich
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From: William T Fujioka
Chief Executive Officer

MOTION TO SUPPORT SB 586 (PAVLEY) AND INSTRUCT THE COUNTY'S LEGISLATIVE ADVOCATES IN SACRAMENTO TO ADVOCATE FOR THE PASSAGE OF SB 586 AND TO NOTIFY THE BOARD OF ANY SUBSTANTIVE REVISIONS (ITEM NO. 85-A, SUPPLEMENTAL AGENDA OF MAY 10, 2011)

Item No. 85-A on the May 10, 2011 Supplemental Agenda is a motion by Supervisor Yaroslavsky to support SB 586 (Pavley) and instruct the County's legislative advocates in Sacramento to advocate for the passage of SB 586 and to notify the Board of any substantive revisions that modify the intent of the bill as currently written.

SB 586, as amended on April 25, 2011, would:

- Regulate the issuance of signature stamps, which are defined as a rubber or other synthetic stamp or device used to imitate an individual's signature, by a state-organized bank or credit union to an account holder and the use of the signature stamp for financial transactions;
- Double the fines for crimes committed against elder and dependent adults, and would add to the list of crimes the fraudulent use of a signature stamp. For example, the fine for physical abuse/bodily harm would be increased to \$12,000 from \$6,000; and

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- Dedicate the increased revenue from these fines to Adult Protective Services (APS) agencies located in the jurisdiction where the crime is prosecuted for the purpose of abuse prevention and investigation.

Current law regulates the organization and operations of state-organized banks and credit unions. In addition, existing law provides for jail time and/or fines or both for crimes perpetrated against elder and dependent adults for specific types of abuse involving theft, embezzlement, forgery, fraud, identify theft or physical abuse. However, there is no law that regulates the issuance and use of a signature stamp for financial transactions.

According to the Department of Community and Senior Services (CSS), which administers the APS Program that investigates abuse, neglect and exploitation of elder and dependent adults, SB 586 would enhance the scope of the APS Program by adding the fraudulent use of a signature stamp to the list of crimes perpetuated against elder and dependent adults. Furthermore, CSS welcomes the opportunity for additional revenue to be provided for the APS Program, especially in light of the State Budget deficit and reductions to the program. In 2009, there was a \$6.0 million statewide reduction to the APS Program. The County's APS Program took a revenue loss of approximately \$1.6 million.

In addition, CSS indicates that the provisions under SB 586 to increase fines for crimes perpetrated against elder and dependent adults can have positive outcomes for the APS Program by increasing funding for the program and deterring criminals who perpetrate these crimes. CSS program data indicates that between FY 2005-06 and FY 2009-10 there was an 18 percent increase in reports of elder and dependent adults.

However, according to CSS, changing the scope of the APS Program, by creating a new crime as proposed by the legislation, may involve additional roles and responsibilities for the County's APS staff, such as the development and dissemination of informational materials regarding the signature stamp, staff training, and the collection and reporting of additional data.

SB 586 is sponsored by American Association of Retired Persons and is supported by Disability Rights California; Alzheimer's Association; Ventura County Board of Supervisors; California Alliance for Retired Americans; San Joaquin County Commission on Aging; California Senior Legislature; Congress of California Seniors; American Federation of State, County and Municipal Employees; AFL-CIO; California School Employees Association; Consumer Attorneys of California; and County Welfare Directors Association. SB 586 is opposed by the California Bankers Association.

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The measure passed the Senate Public Safety Committee by a vote of 5 to 2 on May 3, 2011, and is currently in the Senate Appropriations Committee.

Because there is no existing Board policy to support the increase in fines for crimes perpetrated against elder and dependent adults, support for SB 586 is a matter for Board determination.

WTF:RA
MR:OR:sb

c: Executive Office, Board of Supervisors
County Counsel
Community and Senior Services